

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2007

	March-07					December-06				September-06				Current FYTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net	Net	Net	Net	
	Market Value	Actual	Policy	Net ROR		Net ROR	Market Value	Actual		Policy	Net ROR	Market Value					Actual
LARGE CAP DOMESTIC EQUITY																	
Structured Growth																	
Los Angeles Capital	74,366	2.8%	2.8%	3.86%	0.72%	80,202	2.8%	2.8%	7.40%	76,653	2.7%	2.8%	1.60%	13.32%	11.12%	N/A	N/A
Total Structured Growth	74,366	2.8%	2.8%	3.86%	0.72%	80,202	2.8%	2.8%	7.40%	76,653	2.7%	2.8%	1.60%	13.32%	11.12%	12.01%	-0.32%
Russell 1000 Growth				1.19%	0.54%				5.93%				3.94%	11.40%	6.12%	8.35%	-0.76%
Structured Value																	
LSV	74,050	2.8%	2.8%	2.37%	2.03%	88,774	3.1%	2.8%	8.09%	84,460	3.0%	2.8%	4.90%	16.08%	15.05%	21.14%	12.22%
Russell 1000 Value				1.24%	1.55%				8.00%				6.22%	16.14%	12.10%	15.70%	6.89%
Russell 1000 Enhanced Index																	
LA Capital	149,227	5.6%	5.6%	1.64%	0.67%	168,219	5.8%	5.6%	7.67%	152,896	5.4%	5.6%	3.71%	13.50%	11.58%	N/A	N/A
Russell 1000				1.21%	1.04%				6.95%				5.06%	13.72%	9.08%	N/A	N/A
S&P 500 Enhanced Index																	
Westridge	159,892	6.0%	5.6%	0.75%	1.16%	169,491	5.9%	5.6%	6.86%	163,265	5.8%	5.6%	5.75%	13.85%	8.77%	N/A	N/A
S&P 500				0.64%	1.12%				6.70%				5.67%	13.46%	8.63%	N/A	N/A
Index																	
State Street	46,555			1.60%	1.54%	59,571			8.03%	56,716			5.78%	16.10%	9.51%	11.47%	2.62%
Total 130/30	46,555	1.7%	1.9%	1.60%	1.54%	59,571	2.1%	1.9%	8.03%	56,716	2.0%	1.9%	5.78%	16.10%	9.51%	11.47%	2.62%
S&P 500				0.64%	1.12%				6.70%				5.67%	13.46%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	504,090	18.8%	18.8%	1.79%	1.11%	566,257	19.5%	18.8%	7.50%	533,990	19.0%	18.8%	4.49%	14.33%	10.95%	13.63%	3.95%
S&P 500				0.64%	1.12%				6.70%				5.67%	13.46%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																	
Manager-of-Managers																	
SEI	170,471	6.4%	6.3%	2.43%	1.12%	191,443	6.6%	6.3%	8.82%	175,728	6.3%	6.3%	-0.01%	11.45%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				2.45%	1.24%				9.43%				0.94%	13.18%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	170,471	6.4%	6.3%	2.43%	1.12%	191,443	6.6%	6.3%	8.82%	175,728	6.3%	6.3%	-0.01%	11.45%	13.58%	18.20%	7.86%
Russell 2000				1.95%	1.07%				8.90%				0.44%	11.51%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																	
Large Cap - Active																	
Capital Guardian	110,543	4.1%	4.0%	3.10%	1.82%	124,666	4.3%	4.0%	8.53%	114,737	4.1%	4.0%	5.02%	17.51%	28.07%	20.99%	6.90%
LSV	105,976	4.0%	4.0%	5.11%	2.77%	123,882	4.3%	4.0%	10.66%	111,972	4.0%	4.0%	6.24%	23.56%	27.09%	N/A	N/A
Total Large Cap - Active	216,519	8.1%	8.0%	4.09%	2.28%	248,549	8.6%	8.0%	9.58%	226,709	8.1%	8.0%	5.62%	20.47%	27.66%	21.92%	12.63%
MSCI EAFE - 50% Hedged				4.03%	2.41%				9.06%				4.87%	18.98%	26.72%	22.56%	6.89%
Small Cap - Value																	
Lazard	26,925	1.0%	1.0%	2.39%	2.32%	30,538	1.1%	1.0%	14.71%	26,635	0.9%	1.0%	0.72%	18.30%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				7.05%	3.20%				11.41%				1.53%	21.08%	29.28%	32.40%	N/A
Small Cap - Growth																	
Vanguard	28,434	1.1%	1.0%	6.59%	3.18%	30,971	1.1%	1.0%	12.63%	27,500	1.0%	1.0%	3.73%	24.53%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				7.05%	3.20%				11.41%				1.53%	21.08%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	271,878	10.2%	10.0%	4.17%	2.38%	310,058	10.7%	10.0%	10.36%	280,844	10.0%	10.0%	4.93%	20.63%	27.35%	23.83%	8.67%
MSCI EAFE - 50% Hedged				4.03%	2.41%				9.06%				4.87%	18.98%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME																	
Core Bond																	
Western Asset	438,560	16.4%	16.8%	1.61%	0.01%	545,139	18.8%	19.0%	2.01%	531,335	18.9%	19.0%	4.45%	8.27%	-0.90%	7.36%	8.59%
Lehman Aggregate				1.50%	0.00%				1.24%				3.81%	6.67%	-0.81%	2.05%	4.97%
Mortgage Backed																	
Hyperion	122,493	4.6%	4.4%	N/A	0.92%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				1.89%													
Core Plus/Enhanced																	
Clifton Group	121,664	4.5%	4.4%	1.91%	0.12%	124,064	4.3%	4.4%	0.66%	122,558	4.4%	4.4%	N/A	N/A	N/A	N/A	N/A
Prudential	121,325	4.5%	4.4%	1.49%	-0.02%	124,236	4.3%	4.4%	1.88%	121,190	4.3%	4.4%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	242,989	9.1%	8.8%	1.70%	0.05%	248,300	8.6%	8.8%	1.27%	243,748	8.7%	8.8%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.50%	0.00%				1.24%				3.81%				
Index																	
Bank of ND	223,715	8.4%	8.3%	1.37%	-0.26%	229,327	7.9%	8.3%	1.31%	233,697	8.3%	8.3%	3.10%	5.89%	-1.14%	1.14%	4.90%
Lehman Gov/Credit (1)				1.47%	-0.17%				1.04%				3.91%	6.53%	-1.52%	1.04%	4.78%
BBB Average Quality																	
Wells Capital (formerly Strong)	435,559	16.3%	16.8%	1.74%	-0.60%	543,583	18.8%	19.0%	1.75%	531,191	18.9%	19.0%	4.60%	8.28%	-2.11%	2.63%	N/A
Lehman US Credit BAA				1.79%	-0.62%				1.49%				4.80%	8.26%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	1,463,316	54.7%	55.0%	1.57%	-0.14%	1,566,348	54.1%	55.0%	1.70%	1,539,971	54.8%	55.0%	4.28%	7.73%	-1.39%	6.59%	7.79%
Lehman Aggregate (2)				1.50%	0.00%				1.24%				3.81%	6.67%	-0.81%	1.84%	5.28%
CASH EQUIVALENTS																	
Bank of ND	266,823	10.0%	10.0%	1.32%	0.46%	263,060	9.1%	10.0%	1.32%	277,253	9.9%	10.0%	1.35%	4.04%	4.50%	2.71%	2.42%
90 Day T-Bill				1.25%	0.45%				1.26%				1.33%	3.88%	4.00%	2.37%	2.25%
TOTAL BONDING FUND	2,676,577	100.0%	100.0%	1.93%	0.48%	2,897,167	100.0%	100.0%	4.08%	2,807,786	100.0%	100.0%	3.84%	10.16%	5.28%	7.24%	5.20%
POLICY TARGET BENCHMARK				1.61%	0.56%				3.50%				3.81%	9.17%	4.99%	6.57%	5.10%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.